

STATEMENT OF CONSIDERATIONS

REQUEST BY DELPHI AUTOMOTIVE SYSTEMS, LLC FOR AN ADVANCE WAIVER OF PATENT RIGHTS UNDER DOE COOPERATIVE AGREEMENT NO. DE-FC36-04GO14319 ENTITLED "SOLID OXIDE FUEL CELL DEVELOPMENT FOR AUXILIARY POWER IN HEAVY DUTY VEHICLE APPLICATIONS"; W(A)-04-082; CH-1261

As set out in the attached waiver petition and in subsequent discussions with DOE patent counsel, Delphi Automotive Systems, LLC (Delphi) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified cooperative agreement by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories. Delphi is leading a teaming arrangement with PACCAR and Volvo Truck North America to develop a 3-5kw Solid Oxide Fuel Cell (SOFC) auxiliary power unit capable of operating on diesel fuel for the heavy-duty trucking industry.

The work under this agreement is expected to take place over a period of three years at a total cost of \$4,750,500. Delphi is obligated to cost share \$1,750,500, or about 37 percent of the total cost of the project.

In view of the cost sharing and other equities between Delphi and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by Delphi's employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, or National Laboratories, to Delphi or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute Delphi's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.


Referring to items 5-9 of Delphi's waiver petition, Delphi is a leading engine management system supplier having total engine management capability. Many of those systems and core technologies are expected to relate directly to the design and manufacture of the SOFC unit Delphi expects to develop under this agreement. This, coupled with Delphi's cost sharing, clearly demonstrates the likelihood that Delphi will continue development and commercialization of the results of this agreement.

This advance waiver of the Government's rights in inventions is subject to the attached advance patent waiver provisions, and the government license, march-in-rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes a U.S. Competitiveness clause (paragraph t) which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The participant further agrees to make the above condition binding on any assignee, licensee or other entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the participant or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a

controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition as there are a variety of competing technologies in the relevant market.

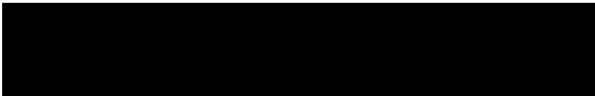
Considering the foregoing, it is believed that granting this waiver will provide the Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the requested waiver be granted.


Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Division

Date: 1-5-05

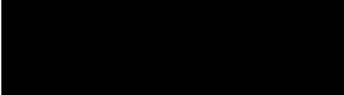
Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:


Steven G. Chalk, Director
Office of Hydrogen, Fuel Cells,
and Infrastructure Technologies
Program, EE-2H

Date: 1-28-05

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for
Technology Transfer and Intellectual
Property, GC-62

Date: 1-28-05

WAIVER ACTION - ABSTRACT

W(A)-04-082 (CH-1261)

REQUESTOR

Delphi Automotive
Systems, LLC under DOE
Cooperative Agreement
No. DE-FC36-04GO14319

CONTRACT SCOPE OF WORK

Solid Oxide Fuel Cell Development for
Auxillary Power in Heavy Duty Vehicle
Applications

RATIONALE FOR DECISION

37% cost sharing

DISPOSITION